

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:5305
ANSWERED ON:29.04.2005
DIVERSION OF MONEY BORROWED FROM BANKS
Madhwaraj Smt. Manorama

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is considering insertions of a separate clause in the Indian Penal Code treating siphoning off money or diversion of money borrowed from banks as a criminal offence;
- (b) whether the Government has been prompted on such a move by the recommendations of SS Kohli Committee and Mitra Committee on legal aspects of fraud involving funds borrowed from bank;
- (c) whether the Khandeival Committee set up by Indian Banks Association has opined against amending the IPC; and
- (d) if so, the reaction of the Government thereon?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PAUUMIMANICKAM):

- (a) to (d) The information is being collected and will be laid on the Table of the House to the extent available.